

Message Text

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TO AMEMBASSY ROME

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E.O. 11652: N/A

TAGS: ETRD, IT, OECD

SUBJECT: ANTITRUST COMPLAINT AGAINST ITALIAN CITIZEN

1. THE FEDERAL TRADE COMMISSION (FTC) HAS INFORMED THE DEPARTMENT THAT THE COMMISSION HAS DECIDED TO ISSUE A COMPLAINT IN THE NEAR FUTURE AGAINST, INTER ALIA, MR. WALTER BANCİ, AN ITALIAN CITIZEN.

2. THE COMPLAINT, COPY BEING AIRPOUCHED TO ECON COUNSELOR FOR EMBASSY'S INFORMATION, WILL ALLEGE VIOLATIONS OF THE FEDERAL TRADE COMMISSION ACT AND OTHER US LAWS IN CONNECTION WITH THE IMPORTATION INTO AND SALE WITHIN THE UNITED STATES OF VARIOUS TEXTILE PRODUCTS, PARTICULARLY WOOLEN PRODUCTS MANUFACTURED IN ITALY BY COMPANIES WHICH MR. BANCİ EITHER OWNS OR CONTROLS.

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3. THE COMPANIES INCLUDE LANIFICIO WALTER BANCİ, S.A.S., WHICH OPERATES A TEXTILE MILL NEAR PRATO, ITALY; LANIFICIO WALTER BANCİ SUD S.R.L., ANOTHER MILL LOCATED IN POMENZIA, ITALY; VERRAZZANO TRADING CORPORATION, A DOMESTIC

CORPORATION WHICH DISTRIBUTES THE PRODUCTS OF MR. BANCIS ITALIAN MILLS; FRANCESCO DATINI, INC., ANOTHER DISTRIBUTING CORPORATION; LANIFICIO TUSCANIA INC., ANOTHER DISTRIBUTING CORPORATION; AND LIMA TEXTILES INC., YET ANOTHER DISTRIBUTING CORPORATION. THE LAST FOUR OF THESE CORPORATIONS HAVE THEIR OFFICES LOCATED AT 2 PENN PLAZA IN NEW YORK CITY. MR. BANCIS NAME APPEARS ON THE DIRECTORY OF THAT BUILDING AND HE IS FREQUENTLY PRESENT IN THE OFFICES OF THE DISTRIBUTING CORPORATIONS THERE.

4. MR. BANCIS AND THE COMPANIES NAMED ABOVE WILL BE CHARGED WITH UNFAIR METHODS OF COMPETITION AND UNFAIR AND DECEPTIVE ACTS AND PRACTICES IN COMMERCE. MORE SPECIFICALLY, THE COMPLAINT WILL STATE THAT THE RESPONDENTS MISREPRESENTED TO THEIR CUSTOMERS THE CHARACTER AND AMOUNT OF THE CONSTITUENT FIBERS CONTAINED IN THEIR PRODUCTS THROUGH FALSELY AND DECEPTIVELY STAMPING, TAGGING, LABELING AND OTHERWISE IDENTIFYING THE PRODUCTS.

5. FYI - THE FTC NOTES A SUBSTANTIAL VOLUME OF SHIPMENTS OF SERIOUSLY MISBRANDED WOOL AND TEXTILE PRODUCTS EMANATING FROM THE VICINITY OF PRATO, ITALY. THUS FAR, BANCIS IS THE ONLY ITALIAN NATIONAL WHO IS ENGAGED IN THE IMPORTATION AND DISTRIBUTION OF THESE MATERIALS AND WHOSE ACTIVITIES HAVE COME TO THE ATTENTION OF THE FTC. END FYI.

6. ACTION: EMBASSY IS REQUESTED TO INFORM THE GOI OF THE FTC DETERMINATION TO FILE THE COMPLAINT. THE GOI SHOULD BE ASKED TO HOLD THIS INFORMATION IN CONFIDENCE UNTIL IT IS PUBLICLY ANNOUNCED BY THE FTC. WE ARE INFORMING THE GOI IN ADVANCE OF THE FTC ACTION IN ACCORDANCE WITH THE OECD RECOMMENDATION OF OCTOBER 5, 1967, WHICH CALLS FOR OECD MEMBERS TO NOTIFY OTHER MEMBER STATES OF ANTITRUST ENFORCEMENT ACTIONS THAT MIGHT AFFECT THE INTERESTS OF THE OTHER STATES. ACCORDING TO THE OECD,
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THE NOTIFICATION SHOULD BE MADE TO: MINISTERO DELL' INDUSTRIA, DEL COMMERCIO E DELL'ARTIGIANATO, DIREZIONE GENERALE DELLA PRODUZIONE INDUSTRIALE, SERVIZIO VO, VIA MOLISE, ROME. PLEASE REPORT ANY SIGNIFICANT HOST GOVERNMENT REACTIONS. INGERSOLL

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